The Story of Money:

Reflect with me for a moment upon the nature of money, wealth and prosperity. And the more time you take reflecting upon it, the more varied and abstract your thoughts concerning money, wealth and prosperity will become. "Consider first money, and soon your mind will guide you to understand the true nature of money. And you will know that the value of money is determined by you, with every transaction that you enter. And that the value of money is determined by the number of zeros on the bill. And a zero is nothing."

What we call money is not money, and the only value it has is the value you and I give it. The pieces of paper you and I pass around are Federal Reserve Notes. They look like money to us because we have been told that they are money and because they spend like money, but they are not money. Money is meant to be a medium of exchanging value for value.
To understand the problem, let me explain how paper began to circulate as money: Imagine that you are in England around 1660, at a time when the only money is gold or silver coins. These are minted and put into circulation by the king. When the king is short of gold or silver and in need of something, he adulterates the money by diluting the gold with copper. The newly minted coins are the same size but with less gold. If the subjects refuse to accept these adulterated coins, no matter, the king merely has his court rule that the money is worth whatever he says it is worth. After all, he is the king.

Imagine you have worked hard and saved some money. Where will you put that money for safekeeping? In most communities there is a goldsmith who has a large iron box where he keeps his gold and silver "safe". You ask him to keep your gold and silver "safe", he agrees and you pay him a fee for his service. As proof that he has your gold and silver, he issues you a receipt. The next time you want to buy something, rather than first redeem your gold and then buy whatever you want, you use your gold receipt. It is quicker and easier. As long as the seller can go to the goldsmith and redeem the certificate for gold everything works out fine. This is probably how paper receipts began to circulate as money.

Now, place yourself in the position of the goldsmith. How long would it take you to figure out that very few people ever come at the same time to redeem their gold certificates? Maybe one day, like the king, you find yourself short of gold and silver. Could you say no to temptation, or would you tell yourself, 'I'll issue a gold receipt without any gold to back it up because, after all, who is going to check up on me. Besides, I'll have the gold in a few days to make it right'.

You quickly learn that spending your own gold receipts causes certain unsettling questions to be asked. You come up with a new plan that gives you something for nothing but doesn't make it too noticeable: you loan gold receipts and collect interest. As long as you don't get too greedy, you can get away with this something for nothing scheme. Soon you and other goldsmith/bankers are lending four times as many paper receipts as you have in gold. This process of the goldsmith/bankers got a boost when the king of England was in need of a great deal of money to fight a war. The king turned to William Paterson.

Paterson and his friends pooled their resources and came up with £72,000 in gold and silver. But instead of lending the gold and silver directly to the king, they formed a bank and printed paper receipts equal to 16-2/3 more than their gold and silver reserves.

They lent the king £1.2 million at 8-1/3 % interest per year. Their yearly interest was £100,000. The king didn't care; he had a war to fight. After all, he would simply raise the taxes on his subjects to pay the interest. Paterson and his friends were protected. He had the foresight to lend his paper receipts to the government. Since these receipts were needed to fight a war, the king couldn't allow them to fail. He declared them legal tender. These receipts were now regarded the same as the gold for which they had stood. A new golden rule came into being: Them that have the gold ... rule!

Since paper money first began circulating, the situation has changed little. When the federal government wants more money, it borrows it from and through the private banking system, the Federal Reserve. The owners of the Federal Reserve are in no need of gold or silver to back up their loans to the government.

Their money is legal tender. Unlike Paterson's time, there is no gold or silver in the system. The bankers are still receiving something for nothing. And you, as a subject, give the bankers 1/3 of your time when you pay federal and social security taxes.

Most everyone knows that, at one time, our government actually had gold and silver backing our currency. Some people believe the gold and silver may still be there. Most people don't have a clue that a few, very rich individuals are in control of this country through their ownership of the privately owned Federal Reserve Banks.

To understand what is happening with our money today we need to refer to Article I, Section 8 of the U.S. Constitution which says: "The Congress shall have Power to coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights & Measures." It is important to understand that the "power to coin money" is just that, coin, not print, because if you have the power to print money you end up with paper money that is worthless - just as worthless as the goldsmith/bankers in England.

To ensure that no one but Congress had control of this country's money, the founding fathers also added Article I, Section 10 which reads: "No State shall coin Money; emit Bills of Credit; make any Thing but gold and silver coin a Tender in Payment of Debts." With these two articles of our Constitution in place, the founding fathers felt they had ensured the stability of the country's money supply.

In 1792 Congress passed the first Coinage Act which set the Standard Unit of Value and the ratio of gold to silver. A dollar of gold was defined as 24-8/10 grains pure 9/10 fine, and a coin dollar of silver at 371.25 grains .999 fine or 412.5 grains Standard Silver. Several times in our country's history Congress has enacted laws that have violated the Constitutional provision governing money. The last time Congress unlawfully turned over their responsibility to manage the country's money supply was with the enactment of the Federal Reserve Act in 1913. For a period of time, the Federal Reserve willingly exchanged gold and silver for paper certificates on demand. But as the depression of 1929 deepened, Congress passed a law making it unlawful to own gold, and the banks stopped redeeming paper money with gold in 1933. In 1968 all that was left supporting our money was silver, and that was removed by presidential order.

Today, there is no gold or silver backing up our money - only the full faith and credit of the United States government. The federal government has pledged you and your ability to earn money as collateral to the international bankers for over $4 trillion in loans. This is a great deal for the bankers. The bankers put up nothing, and you, as a slave, turn over to the bankers 1/3 of your income to pay your "fair share" of the federal income tax.

Your income tax does not pay for the running of the federal government. It pays the interest on the national debt - a debt that was created as a bookkeeping entry.

The federal government is out of control. In 1992 it spent $1,448 trillion. That's $3,967,123,000 each day of the year. The cost to the average household was $291 a week. As of 1995, every dollar the federal government collects in individual income tax goes to pay the interest on the national debt.

LOCAL BANK FRAUD

The fraud of the bankers does not stop with the owners of the Federal Reserve. It continues through our system and includes every bank, every savings & loan and every credit card company. The fraud reaches into every banking transaction that you have ever been a party to. All of them, without exception, extend the control of the bankers over our lives.

Consider this scenario. You want to buy a used car. You arrange with your bank (bank A) for a loan. The banker gives you a check made out to the car dealer for $5,000. You give the check to the car dealer. The dealer turns the car over to you and deposits the $5,000 check into his bank (bank B). It happens all the time.

Now, let's take a deeper look at the transaction. Did any money leave the bank? No. The money never left the bank because the banker didn't give you any. He gave you bank credit.

The courts have ruled that "A check is not money" - School Dist v. U.S. Nat'l Bank, 211 P2d 723); "A check is an order on a bank to pay money" - Young v. Hembree, 73 P2d 393. The courts have further ruled that "National banks may lend their money but not their credit" - Horton Grocery Co. v. Peoples Nat'l Bank 1928, 144 S.E. 501, 151 Va. 195, because, unlike the Federal Reserve banks, local banks are not allowed by law to create money. However, they do it all the time.

WHAT IS BANK CREDIT?

Bank credit is the biggest fraud going. It is the creation of bills of credit by private corporations for their private gain. This is one of the most important issues we have to face today because 95% of the nation's money supply consists of bank credit.

Bank credit, unlike Federal Reserve Notes, is not something tangible that you can see or hold. The closest you will ever get to seeing bank credit is to look at your checkbook or credit card. Essentially, bank credit is nothing more than the creation of numbers which are added to your checking account in a bank's bookkeeping department. When you write a check, numbers called dollars are transferred from your checking account to someone else's checking account. The creation, transfer and use of bookkeeping entries as money is what bank credit is all about.

Bank credit is first created when a banker hands you a check after you take out a loan. This check is not money, but a promise from the bank to pay you money. The bank might have enough money to cash your check, as long as everyone doesn't bring their checks in at the same time.

The basis for the fraud charge is that the bank has written a check against funds which do not exist. The banker gambles that you will use your checking account in place of cash. Most of the time the banker is right, people usually deposit the check they receive in their checking account and then spend it by writing other checks against the bookkeeping entries which have been added to their account. Most people do not know that a check is not money, that bank credit is not lawful money, and that the courts have consistently ruled against the banks for lending credit.

FRACTIONAL BANKING

When the car dealer deposits your check into his account, bank B then has access to $5,000 more that it can make loans against. Modern banking regulations allow banks to loan up to 90% of all money deposited. With sleight of hand and the blessing of modern bookkeeping entries, bank B can now lend an additional $4,500. A different customer at bank B wants a loan. S/he borrows the $4,500 and deposits it in bank C. Now bank C can loan 90% of the $4,500 ($4,050). All the banks (A,B & C) charge interest on each of the loans. The process can go on indefinitely. The bank credit was created out of thin air.

The Federal Reserve Bank of New York offers The Story of Banks, an illustrated booklet that explores the creation of money, credit, bank loans and more. For free copies, call 212-720-6134.

Most of us have several of these bank loans. Many of you have been forced into bankruptcy and forced to give up your homes because of this fraudulent system.

SECURED CREDIT CARDS

Suppose for a moment that you have bad or limited credit and you apply for a credit card. Given these circumstances, you would be required to put up some collateral. The bank would probably ask you to open a certificate of deposit (CD) for 125% of the credit card's credit limit. (If the credit card had a limit of $1,000, you would have to put up $1,250 in collateral).

Note that the bank has nothing to risk when you use your credit card. You have made the arrangements with the bank to lend you up to $1,000. You have promised to pay them according to the terms and conditions of the note you signed. The question is: Where does the bank get the money you borrowed?

Some people think it comes from the money in your CD, but that is not the case. The truth is that the PROMISSORY NOTE you signed is now an asset of the bank, and, based upon this PROMISE to pay, the bank created bank credit, which it lent to you.

The bank doesn't reduce the amount of your CD as you make purchases or take out loans. As the bills come into the bank, it pays the merchant for your purchases by electronically transferring numbers in its computer. If for any reason you do not pay for your purchases, the bank has the authority to use the money in your CD to cover your credit card debt.

A MORTGAGE NOTE

Suppose that you go to your bank to borrow money for a home. You fill out the application and the bank runs a check on you. You pass with flying colors and, next, you sign all the papers. Of course, you will have to make a deposit on your home, just like you did with the credit card. The bank will have you sign a PROMISSORY NOTE, called a mortgage, as you did with the credit card. The bank takes the title to your home as collateral, as it did with the CD. And if you default on your payments, the bank will foreclose on your home and sell it, just as they would use your CD to cover your credit card debt.

The same question arises: Where did the bank get the money it lent you for your home? Answer: It didn't lend you any money - it lent you its credit. Based on the asset of your signature on the PROMISSORY NOTE, the bank issued a check from the magic money machine which was accepted as money.

We know that a check is not money, but a PROMISE to pay money. The bank lied to you. You thought you were borrowing money, and the bank lent you credit instead. In good faith, you entered into what you thought was an honest transaction, but the fact that the transaction was suspect was known only to the bank (and to the courts who have decided that it is illegal for a bank to lend its credit). In legal terms, you have been defrauded because your PROMISE to pay was backed by collateral (the title to your home), but their PROMISE to pay was backed by nothing (neither gold nor silver). In effect, the bank which risked nothing by lending you credit that it created, now has the title to your home.

STATE BORROWING

When your state is short of money, it also borrows from the banks. A state's PROMISE to pay is called a bond. These PROMISES to pay are based upon the state's ability to get you to pay. The bank accepts the bonds as an asset and does the same sleight of hand with the state that it did with you. It gives the state a check from the magic money machine. The state deposits the check back into the bank and writes more checks on the check. Again, ask yourself this: Did the bank lend your state any money in return for their PROMISE to pay? No! Once again the bank wrote a check, which is not money.

Much of the money that your state collects from you in taxes goes toward paying the principal and interest on these fraudulent bank loans. You and I and our ability to pay, along with our property, homes, cars, etc., are pledged as collateral to the bankers for these loans. The bankers put up little of value. They use their magic money machine, and you and I pay and pay and pay.

THE FEDERAL GOVERNMENT AND THE NATIONAL DEBT

It's the same story. The federal government issues a bond. The bond goes to the privately owned Federal Reserve Bank. The bond is a PROMISE to pay based upon the government's ability to collect taxes from you and me. Again, the bankers issue a check from the magic money machine. And again, you pay and pay and pay.

WHAT ... IS THIS MONEY?

The Constitution says that money is gold or silver, probably because they are rare, and also because they require someone's labor to bring it to us in a form that we can use. This has never changed. The Constitution also says that only Congress has the authority to coin or regulate the value of money. We got into this mess because, for the third time in history in 1913, Congress committed treason to the Constitution by illegally turning over to a group of bankers, its responsibility to coin and regulate the value of money.

Consider that these Federal Reserve Notes are made out of paper (and cotton) and cost only 2.6 cents per note to produce, regardless of denomination. You know that whoever is producing these notes is making a tremendous profit.

Consider also that real money cannot be counterfeited. A pound of gold is a pound of gold, regardless of whose profile is stamped in it. The only money that can be counterfeited is the other counterfeit money (Federal Reserve Notes).

The way out of this mess is for We the People to reinstate the Constitution as the Supreme Law of the Land. Until and unless we act to do so, this fraudulent money, banking and taxing system will continue to enslave us. Keep these two points in mind: first, usury, which is the requirement to pay back both the principal and the interest on a loan, is in violation of Biblical law, which demands "just weights and measures"; and second, there is always a price to be paid for dishonesty. For most of the history of this country, we operated under an honest, Constitutional system. The system could be honest again.

"... and the truth shall set you free!"

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When We Became Chattel

Colonel Edward Mandell House is attributed with giving a very detailed outline of the plans to be implemented to enslave the American people. He stated, in a private meeting with Woodrow Wilson (President 1913 - 1921),

Quote:

> *Very soon, every American will be required to register their biological property (that's you and your children) in a national system designed to keep track of the people and that will operate under the ancient system of pledging. By such methodology, we can compel people to submit to our agenda, which will affect our security as a charge back for our fiat paper currency. (property) and we will hold the security interest over them forever, by operation of the law merchant under the scheme of secured transactions. Americans, by unknowingly or unwittingly delivering the bills of lading (Birth Certificate) to us will be rendered bankrupt and insolvent, secured by their pledges.(presidency) of our dummy corporation (USA) to foment this plot against America.*
>
> --Colonel Edward Mandell House

Every American will be forced to register or suffer being able to work and earn a living. They will be our chattels

They will be stripped of their rights and given a commercial value designed to make us a profit and they will be none the wiser, for not one man in a million could ever figure our plans and, if by accident one or two should figure it out, we have in our arsenal plausible deniability. After all, this is the only logical way to fund government, by floating liens and debts to the registrants in the form of benefits and privileges.

This will inevitably reap us huge profits beyond our wildest expectations and leave every American a contributor to this fraud, which we will call "Social Insurance." Without realizing it, every American will unknowingly be our servant, however begrudgingly. The people will become helpless and without any hope for their redemption and we will employ the high office

- Colonel Edward Mandell House

Source: http://letsrollforums.com/u-c-c-foundations-t20001.html